

**Library Parcel Tax Fund****Fund 418****PURPOSE OF THE FUND:**

The assessments on property taxes of San José residents are deposited twice per year into the Library Parcel Tax Fund. These proceeds may only be expended for Library purposes, including the following:

- the acquisition of library books and materials and related costs to maintain Library collections at all Libraries;
- the development and delivery of homework and educational programs for all age groups to support literacy and lifelong learning;
- the repair, equipping and staffing of Libraries; and
- the cost of collection and administration of the Library Parcel Tax.

**AUTHORITY FOR THE FUND:**

This fund was established by the City Council as part of the 2005-2006 budget process and first appeared in the 2005-2006 Capital and Operating Budgets. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

**SOURCE OF FUNDS:**

- Parcel Tax funds
- Interest earnings

**FUND RESTRICTIONS:**

All revenues, including interest earned on tax proceeds, must be used on appropriate library expenditures.

Any increase in the parcel tax, other than described below, is subject to the limitations in Proposition 218.

**LEAD RESPONSIBILITY:**

Library Department

**FINANCIAL INFORMATION AND LOCATION:****Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund-Special Revenue

**Budget Location:**

Adopted Capital and Operating Budget and Capital Improvement Program (Library Program)

**Funding Sources Resolution and Appropriation Ordinance Location:**

Section 15.02

**Library Parcel Tax Fund****Fund 418****NOTES:**

City Council Resolution Number 72269 (A Resolution of the Council of the City of San José Stating Its Intent to Maintain Funding Support for the Library) was adopted by the City Council on August 3, 2004. This resolution states the City Council's intent that the base General Fund contribution to the Library Department annual operating budget be not less than 3.79% of the total Departmental City General Fund annual operating budget. The intent of this resolution is to ensure the Library Parcel Tax Fund does not absorb costs previously funded by the General Fund.

Beginning in 2006-2007, the City Council may increase the Library Parcel Tax rates if the City Council finds that the cost of living in the City of San José as shown on the CPI Index has increased over the preceding base period (which starting in 2007-2008, the base period is April 1 through March 31). The increase in the Library Parcel Tax rate may not exceed the increase in the CPI Index, and may never exceed 3%.